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Poration Commission

FUMUSA, Chairman STDWID, PINE Az

10/24/07 4700

ORIGINAL

RE: W03512A-07-0362

Slope of the Solitude Trails Subdivision in Pine and as

RECEIVED
Chairman of the Solitude Trail's Domestic Water Improvement District, I believe
I can speak with authority and experience regarding Mr Hardcastle and the

2007 OCT 26th Docket #2007-0362, of PWC's proposed K-2 well in Strawberry.

AZ CORP COMMISSION DOCKET CONTROL
To begin with, Mr Hardcastle operates PWC and SWC under an ACC mandated CCTN, meaning a franchised area with no other water companies allowed to compete. So for Pine property owners to hand over \$300,000 of our property taxes to a non-competitive water company (PWC), with no guarantee of repayment, except through higher rates, is absurd and I believe, illegal.

Secondly, Mr Hardcastle has stated he will spend up to \$1.3 million to develop the K-2 well. Have the PSWID Directors or the A.C.C. bothered to ask Mr. Peterson and Mr Pusel what it cost to develop their 2 deep wells in Pine? It was no where near \$1.3 million and they have water. And how will Mr. Hardcastle recoup his \$1.3 million development cost? By raising rates again?

Thirdly, since the K-2 well is to be located in Strawberry, IF water is found, it will be delivered to Pine via the Magnolia Pipeline another cost for PWC ratepayers? And IF there is excess water from the K-2 well, SWC will purchase the excess. But at what cost?

Finally, since millions of gallons of water are presently available annually to PWC in Pine, why drill the K-2 well and why not require PWC to purchase, at a fair price, these millions of gallons of excess water already in Pine for PWC customers? Could it be that Mr Hardcastle chooses NOT to buy 6 million gallons of excess water annually from STDWID and chooses NOT to negotiate fair price water purchases from the proven deep wells of Mr Peterson and Mr Pusel because hauling water is so incredibly profitable? Or is Mr Hardcastle hauling water because he's 'breaking even' and is simply community minded?

MARK J. FUMUSA, Chairman STDWID

OCT 26 2007

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